GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:425
ANSWERED ON:04.05.2007
POWER PROJECTS
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Will the Minister of POWER be pleased to state:

(a) whether the Union Government has received proposals from various State Governments for development of power projects during the last three years;

(b) if so, the details thereof, State-wise;

(c) the action taken by the Government to accord its approval along with the funds allocated for the purpose during the period, State-wise;

(d) the details of Central Sector Power Projects still pending for technical and environmental clearance; and

(e) the steps taken by the Government to clear the projects expeditiously?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 425 TO BE ANSWERED IN THE LOK SABHA ON 04.05.2007 REGARDING POWER PROJECTS.

(a) to (c) : With the enactment of the Electricity Act, 2003, the requirement of according Techno Economic Clearance by Central Electricity Authority (CEA) has been dispensed with for thermal generation. However, any generating company intending to set up a hydro generating station shall prepare and submit to the CEA for its concurrence, a scheme estimated to involve a capital expenditure exceeding such sum, as may be fixed by the Central Government from time to time.

In compliance with the Act, Central Government vide Notification dated 18.4.2006 has notified that the schemes for setting up hydro generating stations by any generating company involving an estimated capital expenditure exceeding the following sum shall be submitted for concurrence of CEA, namely:

(1) Rs. Two thousand Five hundred crores, provided that-

(i) the scheme is included in National Electricity Plan (NEP) as notified by the authority under sub section 4 of section 3 of the Act and the scheme conforms to the capacity and type (run of river/storage) as mentioned in the NEP; and

(ii) the site for setting up the hydro generating station has been allocated through the transparent process of bidding in accordance with the guidelines issued by the Central Government under Section 63 of the Act.

(2) Rupees five hundred crores for any other scheme not covered by clauses (i) and (ii) to para 1 above.

Planning Commission has delegated full powers to the State Governments for approval of power projects (hydro and thermal power generation) without any ceiling. However, clearance from Planning Commission is required in the case of those hydro electric projects where inter state issues are involved.

As far as Ministry of Power is concerned, during the last three years, 10 proposals were received from the States, by the CEA for according concurrence in respect of hydro power projects. Out of these, 3 projects have already been accorded concurrence of CEA. Two projects do not require the concurrence of CEA as their project costs are less than Rs. 500 crores. The proposals of five hydro projects have been returned to States for tying up of necessary inputs as the proposals were incomplete. The details are given at Annexure I.

Ministry of Power does not directly provide assistance for setting up of generation capacity in the State Sector. However, Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) have been giving funds for state sector projects. The year-wise details of loans sanctioned by PFC and REC to State Generation Projects and joint venture projects during the last three years

are as under:

Rs. in crore

Organization	2004-05	2005-06	2006-07
PFC	7572	11839	19478
REC	1797.35	1862.55	7526.28
Total	9369.35	13701.55	27004.28

(d) : According to information received from CEA, at present, only two Central Sector hydro electric projects i.e. National Hydro Electric Power Corporation`s Vyasi HE Project (120 MW) in Uttarakhand and North Eastern Electric Power Corporation Ltd.`s Pare HE Project (110 MW) in Arunachal Pradesh are pending for its concurrence. According to information received from Ministry of Environment and Forest, three hydro electric projects and 5 thermal projects are pending for environment clearance in Ministry of Environment and Forests. The details along with status is given at Annexure II.

(e) : For expeditious clearance of power projects: -

- The Electricity Act, 2003 has put in place a highly liberal framework for generation. There is no requirement of licensing for generation. The requirement of techno economic clearance of CEA for thermal generation projects is no longer there. For hydro electric generation also, the limit of capital expenditure, above which concurrence of CEA is required has been raised and the current requirement is specified in the notification issued in April, 2006 (referred to in parts (a) to (c) above).

- Planning Commission has delegated full powers to State Governments for approval of power projects without any ceiling except for the hydro electric projects where inter state issues are involved.

- Investment approval procedure in respect of Central Sector projects has been streamlined. A time limit of 24 weeks is stipulated for the investment appraisal and approval process, with a trigger mechanism at each stage to move to the next stage in a time bound manner. The requirement of pre-PIB (Public Investment Board) clearance has been dispensed with inter-alia for all Power Sector projects.

- Inter-ministerial coordination mechanism is in place with Ministry of Environment and Forests for expediting the clearances.